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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 5, 2013

CERTIFIED RETURN RECEIPT

7005 2570 0000 4801 5761

Michael and Sandra Sprunger
P.O. Box 38054
Leamington, Utah 84638

Subject: Review of Reclamation Surety and Notice of Intention to Commence Small Mining Operations, Michael and Sandra Sprunger, ML 47821 & MI 46956/ Cubical 2, S/023/057, Juab County, Utah

Dear Mr. and Ms. Sprunger:

The last surety estimate for the ML4721&46956/Cubical2 mine was done in 2006 and escalated to 2009 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$5,400.00 to either \$9,400.00 (3-year escalation; surety amount next evaluated in 2016) or \$9,700.00 (5-year escalation; next evaluated in 2018). The average reclamation costs are outlined below:

Small Mining Operation 5 Acres or Smaller

Project Size (Acres)	Surety 3 & 5 year escalation 2013	Comments
1 or fewer acres	\$9,400 (3-year escalation) * \$9,700 (5-year escalation)	Minimum amount required

Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional surety. Your current surety is in the form of four certificates of deposit with Wells Fargo Bank. You may increase the amount in the certificates of deposit or use an alternative bonding instrument, such as a corporate surety bond, a letter of credit, or cash, for either the increased or the full amount. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.



Michael and Sandra Sprunger
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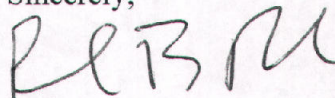
An alternative to increasing the surety would be to reclaim the site.

Please provide the additional surety or perform the reclamation no later than February 14, 2014.

The Notice of Intention to Commence Small Mining Operations (NOI), commonly referred to as the mine plan or the mine permit, is out of date. The NOI on file with the Division of Oil, Gas and Mining is on an out-of-date BLM notice form. The Division understands you are working with the BLM to revise the notice. Please provide the Division with an updated NOI by February 14, 2014. You can obtain a copy of the Division's NOI form from the Division's website at http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/permit_forms.html. The NOI form is MR-SMO.

Thank you for your help in keeping the surety and the NOI current. Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have any questions concerning this letter.

Sincerely,



Paul B. Baker
Mining Program Manager

PBB:whw:pb
cc: Duane Bays, Fillmore BLM (dbays@blm.gov)
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